

14-232. FAILURE TO NOTIFY COMMISSIONER OF MATERIAL CHANGE.

(A) PROHIBITED ACT.

A PERSON MAY NOT FAIL TO NOTIFY THE COMMISSIONER PROMPTLY OF A MATERIAL CHANGE AS REQUIRED BY § 14-220 OF THIS SUBTITLE.

(B) PENALTY.

A PERSON WHO WILLFULLY SELLS A FRANCHISE KNOWINGLY VIOLATING THIS SECTION IS GUILTY OF A FELONY AND, ON CONVICTION, IS SUBJECT FOR EACH VIOLATION TO A FINE NOT EXCEEDING \$10,000 OR IMPRISONMENT NOT EXCEEDING 5 YEARS OR BOTH.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 56, § 347(c), as it related to failure to notify the Commissioner, and, as it related to a violation of former § 347, § 365A.

Defined terms: "Commissioner" § 14-201

"Franchise" § 14-201

"Person" § 1-101

14-233. SHORT TITLE.

THIS SUBTITLE IS THE MARYLAND FRANCHISE SALES ACT.

REVISOR'S NOTE: This section is new language added to provide a convenient reference to this subtitle.

Defined term: "Franchise" § 14-201

GENERAL REVISOR'S NOTE TO SUBTITLE:

Throughout this subtitle, former references to "distributorships" are deleted because distributorships are regulated by this subtitle only insofar as they are franchises. Similarly, former references to "distributors" and "distributees" are also deleted.

SUBTITLE 3. MULTILEVEL DISTRIBUTION COMPANIES.

14-301. "MULTILEVEL DISTRIBUTION COMPANY" DEFINED.

IN THIS SUBTITLE, "MULTILEVEL DISTRIBUTION COMPANY" MEANS A PERSON WHO, FOR CONSIDERATION, DISTRIBUTES GOODS OR SERVICES THROUGH INDEPENDENT AGENTS, CONTRACTORS, OR DISTRIBUTORS AT DIFFERENT LEVELS OF DISTRIBUTION WITH RATES OF PRICING OR DISCOUNTING THAT DIFFER FROM 1 LEVEL TO ANOTHER.

REVISOR'S NOTE: This subsection is new language derived without substantive change from former Art. 23, § 180A(a).

Defined term: "Person" § 1-101